

# Huawei's Q1 sales down 14% as U.S. sanctions remain

April 28 2022, by Zen Soo

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A man wearing a mask to curb the spread of the coronavirus sits near a Huawei store logo in Beijing on Friday, July 31, 2020. Chinese telecoms equipment and smartphone maker Huawei said Thursday its sales fell 14% in the last quarter from a year earlier as it pumped money into research and development while grappling with U.S. sanctions. Credit: AP Photo/Ng Han Guan, File

Chinese telecoms equipment and smartphone maker Huawei's sales fell 14% in January-March from a year earlier as it pumped money into research and development while grappling with U.S. sanctions, according to figures released by the company Thursday.

Huawei Technologies said its revenue was 131 billion yuan (\$19.8 billion) in the [first quarter](#) of 2022, compared to 152.2 billion yuan a year earlier.

Its net profit margin for the quarter was 4.3%, down from 11.1% in the same quarter of 2021.

Huawei's rotating chairman, Ken Hu, said the figures were "in line with forecasts."

"Our [consumer business](#) was heavily impacted, and our ICT infrastructure business experienced steady growth," he said.

In 2019, Shenzhen-based Huawei was placed on a trade blacklist that restricted American companies from doing business with the major provider of network equipment and smartphones. The sanctions have hit Huawei hard since it relied on Google services and other essential technologies for its handsets.

Once the world's largest smartphone maker, Huawei fell out of the top five brands in 2020 due to the sanctions, and in 2021 similarly fell from China's top five as it grappled with a chip shortage.

The company has since invested heavily in research and development, spending some 142.7 billion yuan (\$21.6 billion) to develop new technologies as it sought to carve out new business areas less vulnerable to sanctions. Its R&D spending is 22.4% of its sales—outpacing rivals such as Samsung and U.S. tech companies such as Apple.

Earlier this week, at its annual analyst summit, Hu reiterated Huawei's commitment to developing new business areas such as [cloud computing](#) and 5G.

Since it was put on the U.S. blacklist, Huawei has also developed its Huawei Mobile Service platform as a workaround for its lack of Google services. The platform allows developers to launch apps for Huawei devices, although Google apps such as YouTube can only be accessed via shortcuts that take users to its mobile site.

The company also sold off its lower-priced Honor smartphone brand in November 2020, hoping to revive its sales by insulating it from the sanctions on Huawei.

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Citation: Huawei's Q1 sales down 14% as U.S. sanctions remain (2022, April 28) retrieved 8 August 2024 from <https://techxplore.com/news/2022-04-huawei-q1-sales-sanctions.html>

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